

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1699 – SB 1826

April 6, 2014

**SUMMARY OF ORIGINAL BILL:** Requires motor vehicle registrations issued to businesses that register 15,000 or more vehicles annually and are engaged in the rental of motor vehicles, trucks and trailers, as defined by this bill, for periods of 31 days or less, to be valid for 18 months, rather than 12 months, and to expire on the last day of the last month of the registration period. Requires the Commissioner of the Department of Revenue to establish a system of registration renewals at alternate intervals that will allow for the distribution of the registration workload as uniformly as is practicable throughout the registration period.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$88,750/FY14-15/General Fund  
\$5,000/FY14-15/Police Pay Supplement Fund  
\$5,000/FY14-15/Computerized Title and Registration System  
\$8,750/FY14-15/Reflecting Plates  
  
\$44,375/FY15-16/General Fund  
\$2,500/FY15-16/Police Pay Supplement Fund  
\$2,500/FY15-16/Computerized Title and Registration System  
\$4,375/FY15-16/Reflecting Plates

Decrease State Revenue –

\$88,750/FY16-17 and Subsequent Years/General Fund  
\$5,000/FY16-17 and Subsequent Years/Police Pay Supplement Fund  
\$5,000/FY16-17 and Subsequent Years/  
Computerized Title and Registration System  
\$8,750/FY16-17 and Subsequent Years/Reflecting Plates

**SUMMARY OF AMENDMENTS (014207, 015957):** Amendment 014207 authorizes, rather than requires, the Department to issue motor vehicle registrations to businesses that register 15,000 or more vehicles annually and are engaged in the rental of motor vehicles, trucks and trailers, as defined by this bill, for periods of 31 days or less, to be valid for 18 months, rather than 12 months, and to expire on the last day of the last month of the registration period. Authorizes, rather than requires, the Commissioner of the Department of Revenue to establish a system of registration renewals at alternate intervals that will allow for the distribution of the registration workload as uniformly as is practicable throughout the registration period.

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Amendment 015957 requires the Department to set 18-month registration fees in an amount that offsets revenue that would otherwise be generated by 12-month registration fees in effect prior to January 1, 2015.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**


### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

- To the extent that the Department continues issuing motor vehicle registrations to qualified businesses to be valid for 12 months, this bill as amended will not result in a significant fiscal impact to the state.
- If the Department, pursuant to the authorization in this bill as amended, starts issuing motor vehicle registrations to qualified businesses to be valid for 18 months, 18-month registration fees would be set by the Department in an amount that would offset revenue that would otherwise be generated by 12-month registration fees in effect prior to January 1, 2015. As a result, any fiscal impact to the state is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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